

RJ Reynolds
Tobacco Company



To:

Charlie Iszard

Company:

D. Hess

Fax:

908-750-6909

From:

J. M. PISCITELLI

Company: R. J. REYNOLDS TOBACCO

Phone: (910) 741-7296 or (216) 779-1888

Fax: (216) 779-1889

Date:

15 August 1997

Pages including this
cover page:

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Comments:

Charlie,

Per my voice mail please Review
with your legal dept & note
changes you require & fax it
to me @ 216-779-1889.

After I Review contract will
Be re-typed in W-S & forwarded
Back to you for your signature.

Jim

cc- N. Kurio - L. Forey -

908-417-9076
813-884-0392

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Private Label Extension and Rebate Agreement

Where Amerada Hess Corporation (Amerada Hess) has acquired the retail stores of Pick Kwik Corporation (Pick Kwik) and

Whereas Amerada Hess and R.J. Reynolds Tobacco Company, through its Forsyth Tobacco Products division (Forsyth) currently have a private label agreement relating to the "Signature" brand cigarette and

Whereas, subject to the following, the parties agree to expand the "Signature" agreement to cover the former Pick Kwik retail stores.

Therefore, the parties agree as follows:

- I. Forsyth will immediately upon the signing of this agreement maintain a combination of off-invoice, marketing accrual and share of category rebate of \$3.05 (upon qualifying) on purchase of "Signature" for the term of the parties "Signature" agreement as extended herein.
- II. With respect to the sixty-six (66) ^{seventy (71)} Pick Kwik retail stores, Forsyth will make a quarterly meeting competition payment of \$20 per carton on each carton of "Signature" sold by these sixty-six ^{seventy (71)} retail stores for as long as the present competitive situation exists with respect to these stores or for the term of the parties "Signature" agreement as extended herein, whichever comes first.
- III. Amerada Hess agrees that it will remain in compliance with the Forsyth Full Partnership requirements set forth herein below for the term of this Agreement:

Customer Agrees to:

1. Compliance with Forsyth's Full Partnership requirements, which are:
 - a). Use off-invoice to keep Forsyth private label price competitive.
 - b). Develop programs using Alliance Accrual to maintain/build Forsyth private label business.
 - c). Maintain Forsyth private label as the everyday low price brand offered, with minimal support for competitive programs.
 - d). Decline to carry non-Forsyth products that sell at prevailing private label prices.
 - e). Not disadvantage R.J. Reynolds in the ongoing display and promotion of its full priced and branded savings products as it relates to other cigarette manufacturers.

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Private Label Extension

- IV. The parties agree to an extension of the term of their "Signature" Private Label Agreement through July 31, 2004. ?
- V. All prior bonus and volume incentive provisions of the parties private label agreement and any addendum thereto are superseded by this Agreement.

Amerada Hess Corporation

R.J. Reynolds Tobacco Company

By: _____

By: _____

Date: _____

Date: _____

Note: This Agreement must be signed by both Customer and Forsyth before it is effective.

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